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UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA

In re) In Proceeding Under
) Chapter Eleven
PETER J. WORKUM,)
) Case No. 2-12-bk-08554 BKM
)
)
) Adv. No 2-14-ap-639
)
)
Debtor.)

COMPLAINT TO DETERMINE THE
VALIDITY, PRIORITY OR EXTENT
OF A LIEN OR OTHER INTEREST
IN PROPERTY

PETER J. WORKUM,)
)
Plaintiff,)
)
v.) (RE: 5728 North Harding Drive,
) Paradise Valley, AZ, 85253)

PNC MORTGAGE, a division of PNC)
BANK, N.A. fka NATIONAL CITY)
MORTGAGE, a national association; RCS)
RECOVERY SERVICES, LLC, a Florida)
limited liability company; SPECIAL)
PURPOSE CAPITAL, LLC, an Arizona)
limited liability company; 3502 LENDING,)
LLC, an Arizona limited liability company;)
638 LAKE PURGATORY, LLC, an)
Arizona limited liability company; GLENN)
MARTIN OLNICK; and JOHN R.)
KUTZSCHAN,)

Defendants.)

1 NOW COMES the Plaintiff, Peter J. Workum, by and through counsel, and hereby states
2 for his Complaint as follows:

3 **ALLEGATIONS COMMON TO ALL COUNTS**
4

5 1.

6 This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; 28 U.S.C. §
7 2201(a); 11 U.S.C. §§ 506(a), 547(b) and 522(f), and Rule 7001 et seq. Rules of Bankruptcy
8 Procedure This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(B), 157(b)(2)(I) and
9 157(b)(2)(K).
10

11 2.

12 Plaintiff resides in Maricopa County, Arizona and is the Debtor in the above captioned
13 Chapter Eleven proceeding, having filed for bankruptcy relief on April 23, 2012.
14

15 3.

16 Defendant, PNC Mortgage, a division of PNC Bank, N.A., fka National City Mortgage,
17 a national association its successor or assign, upon information and belief, is licensed to write,
18 service and make residential mortgage loans in the State of Arizona.
19

20 4.

21 Defendant, RCS Recovery Services, LLC, its successor or assign, upon information and
22 belief, is licensed to write, service and make residential mortgage loans in the State of Arizona.
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24 5.

25 Defendant, Special Purpose Capital, LLC, upon information and belief, is an Arizona
26 limited liability company licensed to do business in the State of Arizona.
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6.

Defendant, 3502 Lending LLC, upon information and belief is an Arizona limited liability company licensed to do business in the State of Arizona.

7.

Defendant, 638 Lake Purgatory, LLC, upon information and belief is an Arizona limited liability company licensed to do business in the State of Arizona.

8.

Defendant Glenn Martin Olnick, is an individual, who, upon information and belief, may reside within the State of Arizona.

9.

Defendant John R. Kutzschan, is an individual, who, upon information and belief, may reside within the State of Arizona.

10

Plaintiff, at the time of the filing of bankruptcy, was the titled owner to certain real property located at 5728 North Harding Drive, Paradise Valley, Arizona, 85253 (the "Property") with a legal description as set forth below:

LOT 10, VIEWLAND, ACCORDING TO BOOK 106 OF MAPS, PAGE 48, RECORDS OF MARICOPA COUNTY, ARIZONA.

Parcel ID 107-03-046

This Property is the Debtor's residence and is subject to an allowed homestead exemption.

11

The Plaintiff believes that the Property is worth no more than \$1,200,000.00 based on a appraisal with an effective date of August 10, 2013. A copy of the appraisal is attached hereto

1 as Exhibit "A".

12.

2 The Property is subject to a first position Deed of Trust in favor of Washington Mutual
3 Bank, FA and subsequently assigned to DLJ Mortgage Capital, Inc., its successors or assigns,
4 with said Deed of Trust having been recorded on March 28, 2006 in the Maricopa County
5 Recorder's Office under Instrument Number 20060410446.
6

7 13.

8 First position Deed of Trust lien holder, DLJ Mortgage Capital, Inc ("DLJ"), through its
9 servicer, Select Portfolio Servicing, Inc ("SPS"), has filed a Proof of Claim (Claim Number 5)
10 stating that the balance due under the promissory note secured by that first position Deed of Trust
11 is no less than \$2,214,228.88.
12

13 **COUNT ONE**

14 (Against Defendant PNC Mortgage and RCS Recovery Services, LLC.)

15 14.

16 Upon information and belief, Defendant PNC Mortgage, a division of PNC Bank, N.A.,
17 fka National City Mortgage, a national association, ("PNC") purports to hold a recorded second
18 position Deed of Trust against the property by virtue of a Deed of Trust recorded on May 12,
19 2006 at Instrument Number, 2006-0647766 Records of Maricopa County, Arizona. On or about
20 May 1, 2012, the loan may have been sold/transferred to Defendant RCS Recovery Services, LLC
21 ("RCS").
22

23 15.

24 Neither Defendant PNC nor Defendant RCS has filed a Proof of Claim relative to the
25 second position Deed of Trust however, upon information and belief, the amount owed to one of
26 these Defendants and/or their assigns is in excess of \$200,000.00.
27

28 Workum 506 Complaint

4

1 16.

2 Plaintiff asserts that after applying the first mortgage lien of DLJ, there is no equity
3 remaining to which the lien of Defendant PNC and/or RCS and/or their assigns may attach. As
4 a result, pursuant to 11 U.S.C. §§506(a)(1) and 506(d) Defendants hold a wholly unsecured Deed
5 of Trust against the property and is therefore not secured and its lien is void.
6

7 **COUNT TWO**
8 (Against Special Purpose Capital, LLC)

9 17.

10 Plaintiff realleges and incorporates herein all other allegations as set forth in Paragraphs
11 1 through 16.
12

13 18.

14 The Property is subject to a third position Deed of Trust in favor of Special Purpose
15 Capital, LLC which was recorded on May 12, 2006 with the Maricopa County Recorder's Office
16 at Instrument Number 2006-0647768.
17

18 19.

19 The Property is subject to a fifth position Deed of Trust in favor of Special Purpose
20 Capital, LLC which was recorded on March 27, 2012 with the Maricopa County Recorder's
21 Office at Instrument Number 2012-023322.
22

23 20.

24 Defendant Special Purpose Capital, LLC has failed to file a Proof of Claim relative to the
25 third and fifth position Deed of Trust however, upon information and belief, the amount owed
26 for the third position Deed of Trust is in excess of \$500,000.00 and the amount owed for the fifth
27 position Deed of Trust is in excess of \$676,000.00.
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21.

Plaintiff asserts that after applying the first mortgage lien of DLJ, there is no equity remaining to which either lien of Defendant Special Purpose Capital, LLC may attach. As a result, pursuant to 11 U.S.C. §§506(a)(1) and 506(d) Defendant holds wholly unsecured Deeds of Trust against the property and is therefore not secured and both its third and fifth position liens are void.

COUNT THREE
(Against Defendant 3502 Lending, LLC)

22.

Plaintiff realleges and incorporates herein all other allegations as set forth in Paragraphs 1 through 21 .

23.

The Property is subject to a fourth position Deed of Trust in favor of 3502 Lending, LLC which was recorded on February 17, 2010 with the Maricopa County Recorder's Office at Instrument Number 2010-0130123.

24.

Defendant, 3502 Lending, LLC has failed to file a Proof of Claim relative to the fourth position Deed of Trust however, upon information and belief, the amount owed for the fourth position Deed of Trust is in excess of \$37,000.00.

25.

Plaintiff asserts that after applying the first mortgage lien of DLJ, there is no equity remaining to which Defendant, 3502 Lending, LLC's fourth position Deed of Trust may attach. As a result, pursuant to 11 U.S.C. §§506(a)(1) and 506(d) Defendant holds a wholly unsecured

fourth position Deed of Trust against the property and is therefore not secured and its lien is void.

COUNT FOUR

(Against Defendant 638 Lake Purgatory, LLC)

26.

Plaintiff realleges and incorporates herein all other allegations as set forth in Paragraphs 1 through 25.

27.

The Property is subject to a sixth position Deed of Trust in favor of 638 Lake Purgatory, LLC which was recorded on January 13, 2011 with the Maricopa County Recorder's Office at Instrument Number 2011-0037557.

28.

Defendant, 638 Lake Purgatory, LLC has failed to file a Proof of Claim relative to the sixth position Deed of Trust however, upon information and belief, the amount owed for the sixth position Deed of Trust is in excess of \$37,000.00.

29.

Plaintiff asserts that after applying the first mortgage lien of DLJ, there is no equity remaining to which Defendant, 638 Lake Purgatory, LLC's sixth position Deed of Trust may attach. As a result, pursuant to 11 U.S.C. §§506(a)(1) and 506(d) Defendant holds a wholly unsecured sixth position Deed of Trust against the property and is therefore not secured and its lien is void.

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1 **COUNT FIVE**

2 (Against Glenn Martin Olnick and John R. Kutzschan)

3 30.

4 Plaintiff realleges and incorporates herein all other allegations as set forth in Paragraphs
5 1 through 29.

6 31.

7
8 Upon information and belief, the Property is subject to a Judgment Lien in favor of
9 Defendants Glenn Martin Olnick and John R. Kutzschan, recorded on September 17, 2007 at the
10 Maricopa County Recorder's Office under Instrument Number 20071027585.

11 32.

12
13 Plaintiff asserts that the judgment lien, does not attach to the Property due to the allowed
14 homestead exemption or, if it is a lien against the Property, after applying the first Deed of Trust
15 there is no equity remaining for which the Defendants' Judgment Lien may attach. As a result,
16 pursuant to 11 U.S.C. § 547, 11 U.S.C. §§506(a)(1) and 506(d) and 11 U.S.C. §522(f) Defendants
17 Glenn Martin Olnick and John R. Kutzschan hold a wholly unsecured claim and the recorded
18 Judgment Lien is void as against the Property.

19
20 **WHEREFORE**, Plaintiff prays that this Honorable Court find in favor of the Plaintiff and
21 Order the following:

- 22 a. That, for the purposes of this Adversary Proceeding, the value of the
23 Plaintiff's homestead residence is \$1,200,000.00;
24
25 b. That, as it relates to the second position Deed of Trust, Defendants PNC
26 Mortgage and/or RCS Recovery Services, LLC and/or their assigns, is
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totally unsecured with said lien being void;

c. That, as it relates to the third and fifth position Deeds of Trust, Defendant Special Purpose Capital, LLC is totally unsecured with said liens being void;

d. That, as it relates to the fourth position Deed of Trust, Defendant, 3502 Lending, LLC, is totally unsecured with said lien being void;

e. That, as it relates to the sixth position Deed of Trust, Defendant 638 Lake Purgatory, LLC is totally unsecured with said lien being void;

f. That, as it relates to the Judgment Lien, recorded in Maricopa County, in favor of Defendants Glenn Martin Olnick and John R. Kutzschan, there is insufficient equity in the Property to support such lien based upon the value of the property, the balance owed on the first position deed of trust and the allowed homestead exemption, therefore such lien is void with said creditors holding a totally unsecured claim;


g. That the Order of this Court may be recorded and the same shall have the effect of voiding the liens on the public records to the extent that the Defendants' claims are wholly unsecured upon the entry of an Order confirming the Debtor's Third Amended Chapter 11 Plan of Reorganization; and

h. That Plaintiff recovers any additional relief that this Court deems justified and appropriate.

///

1 RESPECTFULLY SUBMITTED, this 31 day of July, 2014.

2 ALLAN D. NEWDELMAN, P.C.

3 
4 /s/ RJS 011993/

5 Roberta J. Sunkin, Esq.
6 Counsel for the Debtor/Plaintiff

EXHIBIT “A”

SUBJECT	Neighborhood Name		SW Paradise Valley/Phoenix Biltmore		Map Reference		p1261q168		Census Tract		1051.03							
	Occupant	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> Vacant	Special Assessments \$		0		<input type="checkbox"/> PUD	HOA \$	0 per year <input type="checkbox"/> per month							
	Property Rights Appraised		<input checked="" type="checkbox"/> Fee Simple		<input type="checkbox"/> Leasehold	<input type="checkbox"/> Other (describe)												
	Assignment Type		<input type="checkbox"/> Purchase Transaction		<input type="checkbox"/> Refinance Transaction		<input checked="" type="checkbox"/> Other (describe)		Estimate market value									
	Lender/Client		Workum		Address		5728 N Harding Dr Paradise Valley AZ 85253											
	Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																	
	Report data source(s) used, offering price(s), and date(s). MLS/PR Subject has not been listed in MLS. No prior improved sales were noted in the past three years. Numerous prior recordings were however noted. None of these appear to be sales.																	
	I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.																	
	CONTRACT	Contract Price \$		Date of Contract		Is the property seller the owner of public record?		<input type="checkbox"/> Yes <input type="checkbox"/> No		Data Source(s)								
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No																		
If Yes, report the total dollar amount and describe the items to be paid.																		
Note: Race and the racial composition of the neighborhood are not appraisal factors.																		
NEIGHBORHOOD	Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %							
	Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	85 %						
	Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	%						
	Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input checked="" type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	650	Low	0	Multi-Family	5 %					
	Neighborhood Boundaries				The neighborhood is roughly bounded by Northern Ave. (Alignment) on the				2,500	High	65	Commercial	5 %					
	north, Tatum Bl. on the east, Camelback Rd. on the south, and 24th St. on the east.								1,200	Pred.	30	Other	5 %					
	Neighborhood Description				Subject is in the extreme SW corner of the Town of Paradise Valley AZ. It is within several blocks of the City of Phoenix on three sides. The area has very good access to all normal amenities and the Camelback corridor. No adverse neighborhood conditions were noted. The 5%+- land use noted above is vacant land most of which is suitable for development.													
	Market Conditions (including support for the above conclusions)				Market conditions in this market are stable after several years of declining values. Current interest rates are in the 3.5% to 5.0% range and stable. Non conforming properties might be required to pay higher interest rates. Please refer to Market Conditions addenda.													
	Dimensions				See plat reductions		Area		1.14 ac		Shape		Triangular		View		B;Mtn;	
	Specific Zoning Classification				R-43 Residential		Zoning Description		Residential zoning at a specific minimum density.									
Zoning Compliance				<input type="checkbox"/> Legal <input checked="" type="checkbox"/> Legal Nonconforming (Grandfathered Use)		<input type="checkbox"/> No Zoning		<input type="checkbox"/> Illegal (describe)										
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?				<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No		If No, describe										
SITE	Utilities		Public		Other (describe)		Public		Other (describe)		Off-site Improvements - Type		Public		Private			
	Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Street	Asphalt		<input checked="" type="checkbox"/>	<input type="checkbox"/>							
	Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/> Septic Tank	Alley	None		<input type="checkbox"/>	<input type="checkbox"/>							
	FEMA Special Flood Hazard Area		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone		X		FEMA Map #		04013C1670G		FEMA Map Date		09/30/2005			
	Are the utilities and off-site improvements typical for the market area?		<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No		If No, describe											
	Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?		<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No		If Yes, describe											
	Subject is a non-conforming site. There are numerous setback violations. (See addenda) Per the Town zoning ordinance, subject cannot be expanded in any way. The shape of the site renders the southern portion of the site useless for improvements. Subject has light traffic influence on two sides and suffers a loss of privacy. Subject has panoramic Mt. views visible from the rooftop deck.																	
	General Description		Foundation		Exterior Description		materials/condition		Interior		materials/condition							
	Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab	<input type="checkbox"/> Crawl Space	Foundation Walls		Concrete/avg.		Floors	Crpt/tile/wood/good								
	# of Stories	1	<input type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls		Frm/Stuc/Blk/avg.		Walls	Drywall/good								
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area		0 sq.ft.		Roof Surface		BU/Foam/avg.		Trim/Finish		Wooden/good						
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish		0 %		Gutters & Downspouts		Downspouts/good		Bath Floor		Tile/good							
Design (Style)	Contemporary		<input type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Window Type		Alum./good		Bath Wainscot		Tile/good							
Year Built	1969		Evidence of		<input type="checkbox"/> Infestation	None noted		Storm Sash/Insulated		Car Storage		<input type="checkbox"/> None						
Effective Age (Yrs)	15		<input type="checkbox"/> Dampness	<input type="checkbox"/> Settlement	Screens		Screens/good		<input checked="" type="checkbox"/> Driveway	# of Cars		8						
Attic	<input type="checkbox"/> None	Heating	<input checked="" type="checkbox"/> FWA	<input type="checkbox"/> HWBB	<input type="checkbox"/> Radiant	Amenities		<input type="checkbox"/> Woodstove(s) #		0		Driveway Surface		Pavers				
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs	<input type="checkbox"/> Other	Fuel Gas		<input checked="" type="checkbox"/> Fireplace(s) #		3		<input checked="" type="checkbox"/> Fence	Block		<input checked="" type="checkbox"/> Garage	# of Cars		4			
<input type="checkbox"/> Floor	<input checked="" type="checkbox"/> Scuttle	Cooling		<input checked="" type="checkbox"/> Central Air Conditioning		<input checked="" type="checkbox"/> Patio/Deck		Patio		<input checked="" type="checkbox"/> Porch	Entry		<input type="checkbox"/> Carport	# of Cars		0		
<input type="checkbox"/> Finished	<input type="checkbox"/> Heated	<input type="checkbox"/> Individual	<input type="checkbox"/> Other		<input checked="" type="checkbox"/> Pool		Yes		<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Att.	<input type="checkbox"/> Det.	<input type="checkbox"/> Built-in						
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)																		
Finished area above grade contains: 12 Rooms 4 Bedrooms 4.5 Bath(s) 4,884 Square Feet of Gross Living Area Above Grade																		
Additional features (special energy efficient items, etc.). Multi-car garage, fencing, kitchen island, covered patio, walk-in closet, custom countertops.																		
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C3:Kitchen-remodeled-eleven to fifteen years ago;Bathrooms-remodeled-eleven to fifteen years ago;Subject is a good																		

SALES COMPARISON APPROACH

Proximity to Subject	1.69 miles NE			0.35 miles NW			1.64 miles E		
Sale Price	\$ 1,300,000			\$ 1,450,000			\$ 1,575,000		
Sale Price/Gross Liv. Area	\$ 297.89 sq.ft.			\$ 187.12 sq.ft.			\$ 295.33 sq.ft.		
Data Source(s)	MLS#4869002;DOM 84			MLS#4766925;DOM 304			MLS#4822996;DOM 150		
Verification Source(s)	Bldr/PR 13-319363			PR 13-440534			MLS/PR/13-163102		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjustment
Sales or Financing	ArmLth	ArmLth		ArmLth	ArmLth		ArmLth	ArmLth	
Concessions	Conv;0	Conv;0		Conv;0	Conv;0		Cash;0	Cash;0	
Date of Sale/Time	s04/13;c02/13	s04/13;c02/13		s05/13;c04/13	s05/13;c04/13		s02/13;c02/13	s02/13;c02/13	
Location	B;Res;	B;Res;		B;Res;	B;Res;		B;Res;	B;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple	Fee Simple		Fee Simple	Fee Simple	
Site	1.14 ac	42,253 sf	0	1.22 ac	37,026 sf	0	37,026 sf	37,026 sf	0
View	B;Mtn;	B;Panoramic Cb	-150,000	B;Mttop/Traffic;	B;Camelback/Tr	-200,000	B;Camelback/Tr	B;Camelback/Tr	-200,000
Design (Style)	Contemporary	Contemporary		Contemporary	Contemporary		Contemporary	Contemporary	
Quality of Construction	Q3	Q3		Q3	Q3		Q3	Q3	
Actual Age	44	46	0	33	32	0	32	32	0
Condition	C3	C3		C3	C3		C3	C3	
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths	Total Bdrms. Baths	
Room Count	12 4 4.5	12 5 3.5	+10,000	14 4 6.5	12 4 3.5	-20,000	12 4 3.5	12 4 3.5	+10,000
Gross Living Area	4,884 sq.ft.	4,364 sq.ft.	+62,400	7,749 sq.ft.	5,333 sq.ft.	-343,800	5,333 sq.ft.	5,333 sq.ft.	-53,900
Basement & Finished	0sf	0sf		0sf	0sf		0sf	0sf	
Rooms Below Grade									
Functional Utility	Avg.	Good	-50,000	Avg.	Good	-50,000	Good	Good	-50,000
Heating/Cooling	Central	Central		Central	Central		Central	Central	
Energy Efficient Items	Good	Good		Good	Good		Good	Good	
Garage/Carport	Garage-4	Garage-2	+30,000	Garage-3	Garage-4	+15,000	Garage-4	Garage-4	
Porch/Patio/Deck	Cov. Ent./Patio	Cov. Ent./Patio		Cov. Ent./Patio	Cov. Ent./Patio		Cov. Ent./Patio	Cov. Ent./Patio	
Upgrades	See addenda	Similar	0	Similar	Superior	-75,000	Superior	Superior	-75,000
Fireplace	3	3		3	2	+2,000	2	2	+2,000
Swimming Pool/Landscape	Pool/Custom	Pool/Custom		Pool/Custom	Pool/Custom		Pool/Custom	Pool/Custom	
Net Adjustment (Total)	□ + ☒ - \$ -97,600			□ + ☒ - \$ -348,800			□ + ☒ - \$ -366,900		
Adjusted Sale Price	Net Adj. 7.5 %			Net Adj. 24.1 %			Net Adj. 23.3 %		
of Comparables	Gross Adj. 23.3 % \$ 1,202,400			Gross Adj. 26.1 % \$ 1,101,200			Gross Adj. 24.8 % \$ 1,208,100		

☒ I did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) Public Records

My research ☐ did ☒ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) Public Records

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	PR	PR	PR	PR
Effective Date of Data Source(s)	09/13/2013	09/13/2013	09/13/2013	09/13/2013

Analysis of prior sale or transfer history of the subject property and comparable sales Subject has no recent improved sales history. One of the comparables

above showed a prior transfer in a meaningful time frame.

Summary of Sales Comparison Approach Many other sales were cited in subjects area. Change orders and especially remodeling can be a significant portion of value in this market segment. Adjustment was applied to several sales to reflect the difference. This adjustment was not applied on a dollar for dollar basis, but attempted to reflect market value differences. Additional sales were considered, see addenda.

Indicated Value by Sales Comparison Approach \$ 1,200,000

Indicated Value by: Sales Comparison Approach \$ 1,200,000 Cost Approach (if developed) \$ 1,257,807 Income Approach (if developed) \$

The greatest emphasis was given to direct sales comparison which best reflects the actions of buyers and sellers. The income analysis is not applicable. This report is intended to conform to the USPAP definition of a Summary Report. It is intended for use only by the named client as stated on page 3.

This appraisal is made ☐ "as is", ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☒ subject to the following inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. There is insufficient data for an

Case 2:14-ap-00639-BKM Doc 1 Filed 07/31/14 Entered 07/31/14 07:48:24 Desc

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This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.

6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility.

report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRaiser Callan Appraisal Inc.

Signature 
Name John T. Callan
Company Name Callan Appraisal Inc.
Company Address 13630 N Woodside Dr
Fountain Hills AZ 85268
Telephone Number 602 319-8905
Email Address jcallan1561@earthlink.net
Date of Signature and Report 10/01/2013
Effective Date of Appraisal 08/10/2013
State Certification #
or State License # Cert. General #30352
or Other (describe) State #
State AZ
Expiration Date of Certification or License 08/31/2014

ADDRESS OF PROPERTY APPRAISED

5728 N Harding Dr
Paradise Valley, AZ 85253
APPRAISED VALUE OF SUBJECT PROPERTY \$ 1,200,000

LENDER/CLIENT

Name No AMC
Company Name Workum
Company Address 17400 N 40th St, Phoenix, AZ 85018

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature
Name
Company Name
Company Address
Telephone Number
Email Address
Date of Signature
State Certification #
or State License #
State
Expiration Date of Certification or License

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection
☐ Did inspect interior and exterior of subject property
Date of Inspection

COMPARABLE SALES

Sale Price/Gross Liv. Area	\$	sq.ft.	\$	233.49	sq.ft.	\$	316.84	sq.ft.	\$	sq.ft.				
Data Source(s)	MLS#4875238;DOM 133					MLS#4907313;DOM 50								
Verification Source(s)	MLS/PR/13-169081					MLS/PR/13-516758								
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment							
Sales or Financing		ArmLth		ArmLth										
Concessions		Conv;0		Conv;0										
Date of Sale/Time		s02/13;c01/13		s06/13;c04/13										
Location	B;Res;	B;Res;		B;Res;										
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple										
Site	1.14 ac	43,124 sf	0	1.72 ac	-200,000									
View	B;Mtn;	B;Mtn;		B;Mtn;										
Design (Style)	Contemporary	Contemporary		Contemporary										
Quality of Construction	Q3	Q2	-70,000	Q3										
Actual Age	44	27	0	38	0									
Condition	C3	C3		C3										
Above Grade	Total	Bdrms.	Baths	Total	Bdms.	Baths	Total	Bdms.	Baths					
Room Count	12	4	4.5	14	5	4.0	+5,000	11	3	3.0	+15,000			
Gross Living Area	4,884 sq.ft.		5,996 sq.ft.		-133,400		4,103 sq.ft.		+93,700		sq.ft.			
Basement & Finished Rooms Below Grade	0sf		0sf		0sf									
Functional Utility	Avg.	Good		-50,000		Good		-50,000						
Heating/Cooling	Central	Central				Central								
Energy Efficient Items	Good	Good				Good								
Garage/Carport	Garage-4	Garage-3		+15,000		Garage-3		+15,000						
Porch/Patio/Deck	Cov. Ent./Patio	Cov. Ent./Patio				Cov. Ent./Patio								
Upgrades	See addenda	Similar		0		Similar		0						
Fireplace	3	3				3								
Swimming Pool/Landscape	Pool/Custom	Pool/Custom				Pool/Custom								
Net Adjustment (Total)	<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ -233,400		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ -126,300		<input type="checkbox"/> + <input type="checkbox"/> -		\$			
Adjusted Sale Price of Comparables	Net Adj. 16.7 %				Net Adj. 9.7 %				Net Adj. %					
	Gross Adj. 19.5 %		\$ 1,166,600		Gross Adj. 28.7 %		\$ 1,173,700		Gross Adj. %		\$			

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	PR	PR	PR	
Effective Date of Data Source(s)	09/13/2013	09/13/2013	09/13/2013	

Analysis of prior sale or transfer history of the subject property and comparable sales Comp.4 had a 12/2012 recording that appears to be a foreclosure or conveyance to a bank.

Analysis/Comments A small functional adjustment was applied to 4 sales. This was for the utility of the site. Subject had a large portion of the site that could not be improved further due to the setback violations. Sale 2 also had a large portion that could not be improved further due to the slope of the site to the south.

Subjects valuation is complex for numerous reasons. Because of this, added comments are necessary. Herein we will discuss some of the comparables considered but not cited and the specific reasons these were not used in the valuation.

- 1) 5749 N Canyon Dr sold in 5/13 for \$1,100,000. It is similar in size and quality to subject. It was designed by a noted architect, Bill Bruder. We appraised this home in 1986/87. The interior architecture is so unique that it is difficult to assign either a positive or negative value to many features. This sale would indicate a lower value.
- 2) 5900 N Homestead Lane sold in 6/13 for \$1,375,000 per MLS. No affidavit of value was found in the tax records and the terms were shown as "private sale". The site was 1.96 acres of flat usable land and a mortgage of \$5,000,000 was indicated. The indicated mortgage amount could be related to a foreclosure. This sale would indicate a lower value.
- 3) 4430 E Arlington Rd sold in 5/13 for \$1,125,000. The seller of this home is the buyer of the following home. This sale would indicate a higher value.
- 4) 3311 E Palo Verde Dr sold in 5/13 for \$1,800,000. The buyer is a prominent real estate attorney. This home was listed and sold on the same day. Besides zero days on market, the listing agent published only 1 photo of the property in MLS. These two facts indicated that the sale was not arms length. We could not confirm or deny this. The property certainly was not exposed to the open market in a normal fashion.
- 5) 6001 N 38th Place sold in 3/13 for \$700,000. A large difference in livable area was noted between that indicated by the agent and the figure in the tax records.
- 6) The property across the street is listed for \$1,629,000. It was listed on 06/20/2013. This property was last purchased in 11/05 for \$1,925,000 The seller at that time was an investor. It is difficult to establish how much the current asking price should be discounted.

Numerous sales of vacant sites were also researched and considered. Included were several to the south of subject that are being redeveloped.

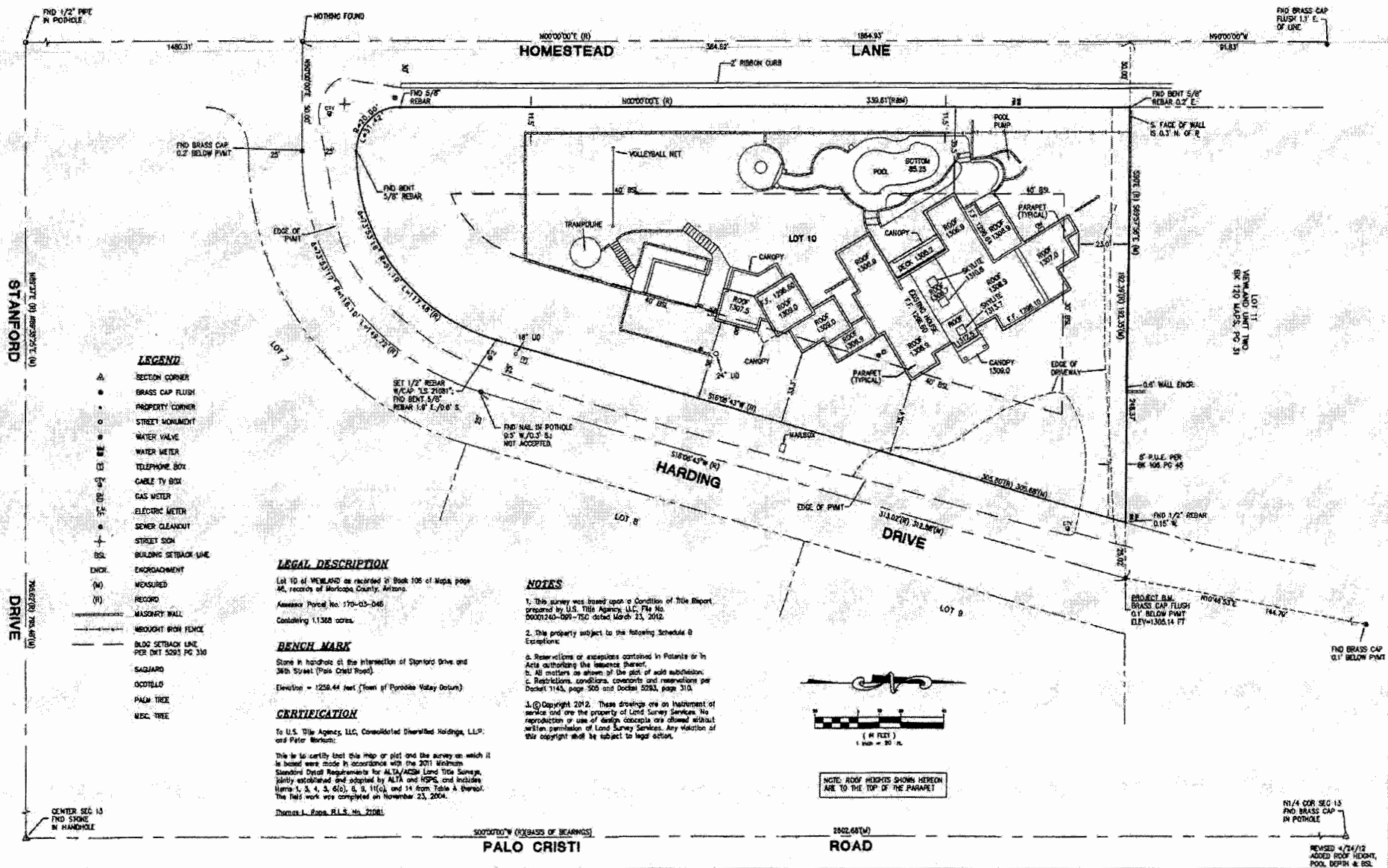
PETER WORKUM RESIDENCE
5728 N. HARDING DRIVE
PARADISE VALLEY, ARIZONA

Land Survey Services PLC

ALTA/ACSM LAND TITLE SURVEY



Drawn By:
Date:
Job No.:
Sheet No.:





E Eva St

Phoenix Mountains Park

Piestewa Peak

denix

COMPARABLE No. 1

7015 N Hillside Dr
1.69 miles NE

SUBJECT

5728 N Harding Dr

TANFORD COURT

OLD ADORE

COMPARABLE No. 2

3270 E Palo Verde Dr
0.35 miles NW

COMPARABLE No. 4

6300 N 42nd St
1.08 miles NE

COMPARABLE No. 3

4761 E Marston Dr
1.64 miles E

COMPARABLE No. 5

3700 E Camino Sin Nombre
0.29 miles E

QINXIA

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1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a formal address, and it is the first of its kind since the signing of the Constitution. The President, James Buchanan, is addressing the Congress, and he is doing so in a very formal and dignified manner. He is discussing the state of the Union, and he is also discussing the issue of slavery. He is saying that the Union is in a state of peril, and that he is doing everything in his power to preserve it. He is also saying that he is not going to interfere with the rights of the States, and that he is not going to interfere with the rights of the people. He is saying that he is not going to interfere with the rights of the States, and that he is not going to interfere with the rights of the people. He is saying that he is not going to interfere with the rights of the States, and that he is not going to interfere with the rights of the people.

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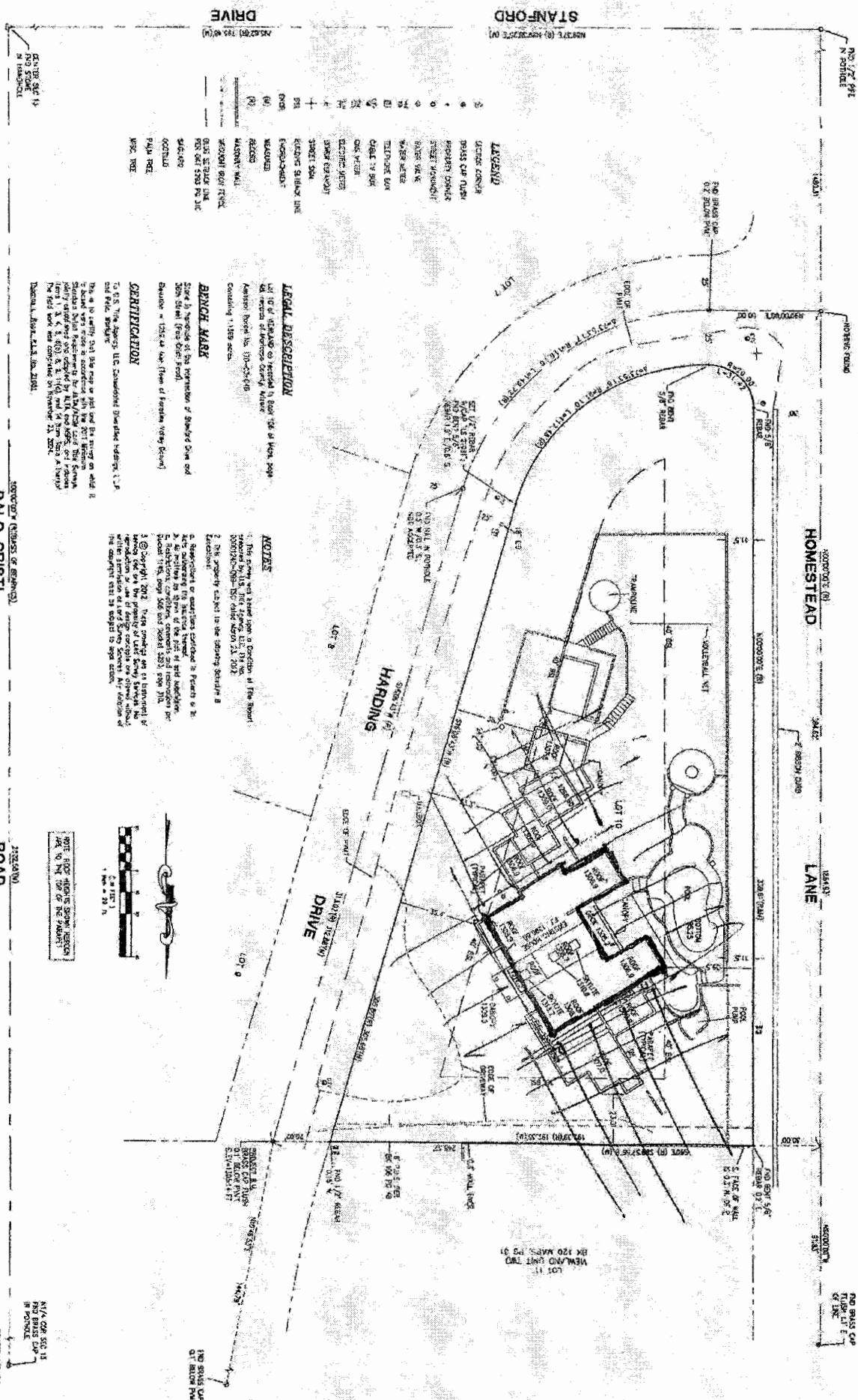
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106-48

PETER WORKUM RESIDENCE
5728 N. HARDING DRIVE
PARADISE VALLEY, ARIZONA



InterFlood



by a la mode

www.interflood.com • 1-800-252-6633

Prepared for:

Callan Appraisal, Inc.

5728 N Harding Dr

Paradise Valley, AZ 85253-5012



FLOODSCAPE

Flood Hazards Map

Map Number
04013C1670G

Effective Date
September 30, 2005

Powered by FloodSource
877.77.FLOOD
www.floodsource.com



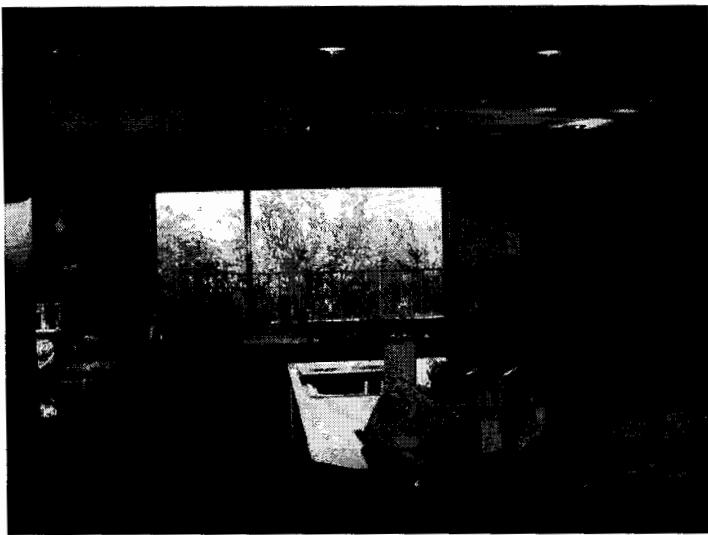
5728 N Harding Dr
Sales Price
GLA 4,884
Total Rooms 12
Total Bedrms 4
Total Bathrms 4.5
Location B;Res;
View B;Mtn;
Site 1.14 ac
Quality Q3
Age 44



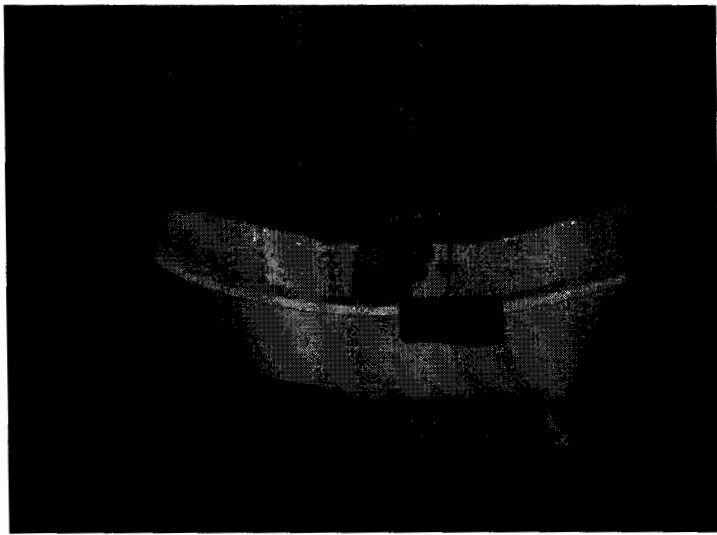
Subject Rear



Subject Street



Kitchen



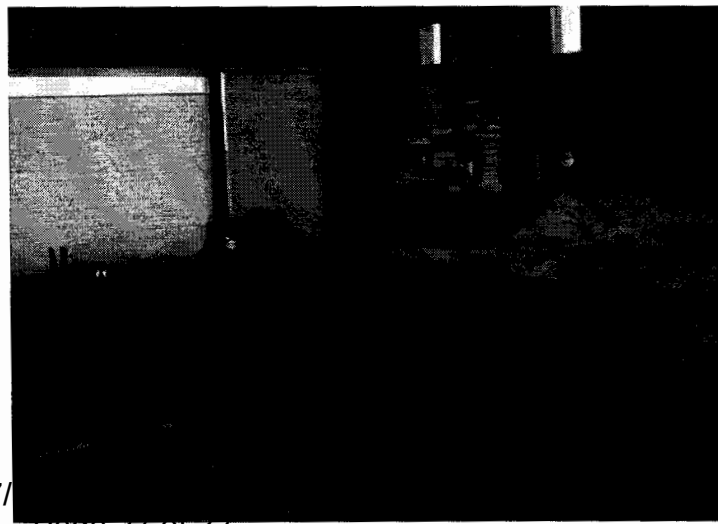
Bathroom



Master Bathroom

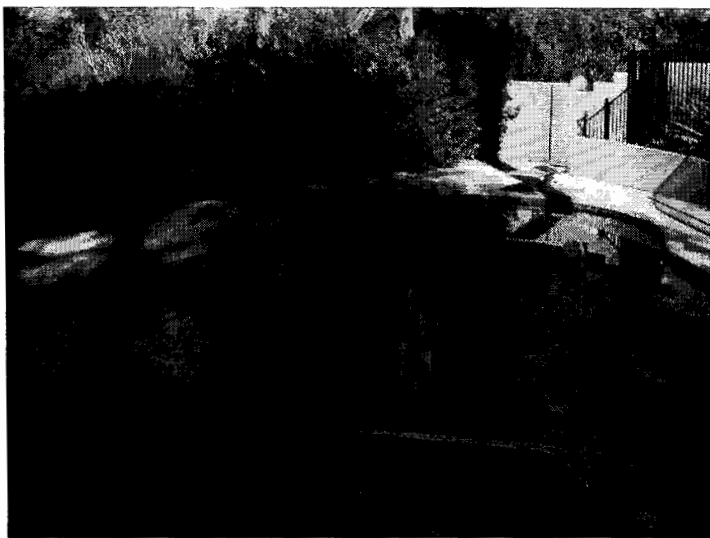


Bathroom





View from rooftop deck



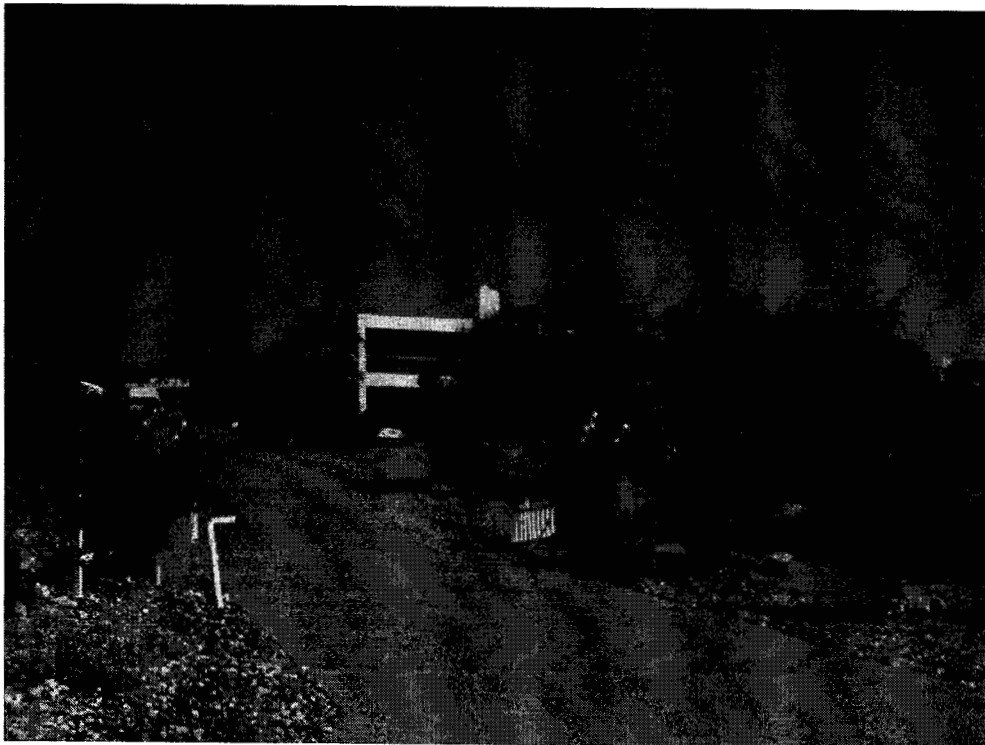
Swimming Pool



Lower south end of site

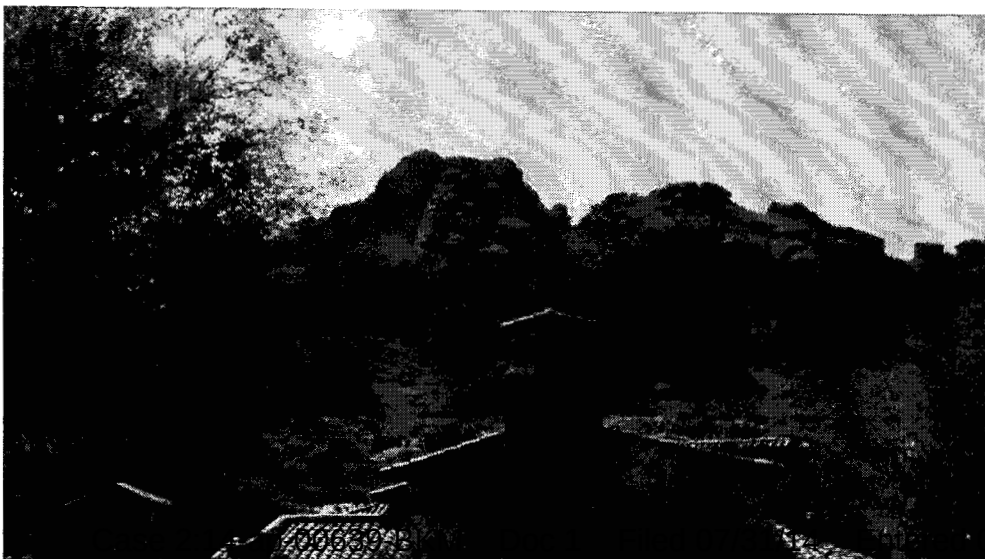


7015 N Hillside Dr
 Proximity 1.69 miles NE
 Sale Price 1,300,000
 GLA 4,364
 Total Rooms 12
 Total Bedrms 5
 Total Bathrms 3.5
 Location B;Res;
 View B;Panoramic Cbk.M
 Site 42,253 sf
 Quality Q3
 Age 46



Comparable 2

3270 E Palo Verde Dr
 Proximity 0.35 miles NW
 Sale Price 1,450,000
 GLA 7,749
 Total Rooms 14
 Total Bedrms 4
 Total Bathrms 6.5
 Location B;Res;
 View B;Mttop/Traffic;
 Site 1.22 ac
 Quality Q3
 Age 33



Comparable 3

4761 E Marston Dr
 Proximity 1.64 miles E
 Sale Price 1,575,000
 GLA 5,333
 Total Rooms 12
 Total Bedrms 4
 Total Bathrms 3.5
 Location B;Res;
 View B;Camelback/Trfc.;
 Site 37,026 sf
 Quality Q3
 Age 32



6300 N 42nd St
 Proximity 1.08 miles NE
 Sale Price 1,400,000
 GLA 5,996
 Total Rooms 14
 Total Bedrms 5
 Total Bathrms 4.0
 Location B;Res;
 View B;Mtn;
 Site 43,124 sf
 Quality Q2
 Age 27
 Internet photo
 Gated project



Comparable 5

3700 E Camino Sin Nombre
 Proximity 0.29 miles E
 Sale Price 1,300,000
 GLA 4,103
 Total Rooms 11
 Total Bedrms 3
 Total Bathrms 3.0
 Location B;Res;
 View B;Mtn;
 Site 1.72 ac
 Quality Q3
 Age 38
 Internet photo
 This photo is more
 accurate than the photo taken
 by the appraiser.

Comparable 6

Proximity
 Sale Price
 GLA
 Total Rooms
 Total Bedrms
 Total Bathrms
 Location
 View
 Site
 Quality
 Age

It is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	104	67	82	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	17.33	22.33	27.33	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	178	211	169	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	10.3	9.4	6.2	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	1,413,793	1,353,000	1,473,750	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	103	83	115	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	1,749,750	1,800,000	1,799,999	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	221	169	142	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	95	94	94	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). **Seller concessions are becoming rare. Inventory shows a decline while median sales and list prices remain relatively stable. Median DOM for sales shows a negligible increase while DOM for listings is declining.**

Are foreclosure sales (REO sales) a factor in the market? ☒ Yes ☐ No If yes, explain (including the trends in listings and sales of foreclosed properties). **REO's remain a very small factor in this market segment. Any remaining inventory is declining.**

Cite data sources for above information. **MLS**

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions. **Most factors are showing a stable market. Due to these statistics, no time adjustments are considered necessary.**

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab.Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? ☐ Yes ☐ No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature

Signature

Appraiser Name: **Case 2:14-cv-00639-BKM**

Supervisory Appraiser Name:

Doc 1 Filed 07/31/14 Entered 07/31/14 07:48:24 Desc

Main Document Page 31 of 32

STATE OF ARIZONA
BOARD OF APPRAISAL

BE IT KNOWN THAT
JOHN T. CALLAN
HAS MET ALL THE REQUIREMENTS AS A
Certified General Real Estate Appraiser

In accordance with Arizona Revised Statutes and on authority of
the Board of Appraisal, State of Arizona.

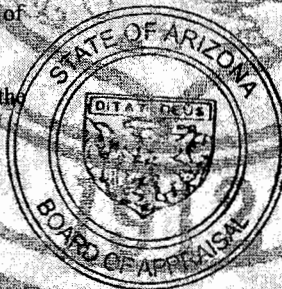
This registration shall remain evidence thereof unless or until the
same is suspended, revoked or expires in accordance with
provisions of law.

CERTIFICATE NUMBER
30352

EXPIRATION DATE
August 31, 2014

SHALL REMAIN PROPERTY OF ARIZONA BOARD OF APPRAISAL

In witness whereof the Arizona Board of Appraisal caused to be
signed by the Chair of the Board



Chair, Board of Appraisal

Date

7-26-2012